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DRAFT REPORT

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Outline of the proposed programme budget
for the biennium 1998-1999

1. At its 38th and 40th meetings, on 3 and 4 September 1996, the Committee considered the report of the Secretary-General containing the proposed programme budget outline for the biennium 1998-1999 (A/51/289).

Discussion

2. A number of delegations welcomed the outline as proposed by the Secretary-General. The expressed support for the efforts made to improve efficiency and productivity within the Organization.

3. Many delegations expressed deep concern about the estimates of resources proposed to accommodate the activities during the biennium 1998-1999.

4. Many delegations, while appreciating the efforts to improve efficiency, expressed concern that a proposed reduction was envisaged for international cooperation for development and regional cooperation for development, while political activities and internal oversight showed a proposed increase. Therefore, all mandated programmes and activities for international and regional cooperation for development should receive sufficient resources so as not to disrupt their full implementation.

5. Many delegations, noting the negative growth contained in the outline, indicated the need to implement all the mandates approved by Member States. Other delegations emphasized the need for zero nominal growth budgets for the duration of the financial crisis.

6. Many delegations welcomed the assurances given by the Secretary-General to the effect that the objectives of the programmes included in the proposed medium-term plan could be pursued in 1998-1999 within the overall level of resources included in the proposed outline.

7. Many delegations stressed the importance of payment of assessed contributions in full, on time and without condition.

8. One delegation stated that a specific scheme should be formulated to implement the proposal that savings resulting from improved cost-effectiveness should be reinvested in development programmes.

9. Many delegations emphasized that the outline should be regarded only as a preliminary estimate. One delegation noted that the level of the programme budget for 1998-1999 should not exceed the level of the proposed budget outline.

10. Many delegations stated that the financial projections contained in the outline should in no way constitute a ceiling.

11. Many delegations supported the proposed inclusion of provisions for special missions in the outline. Many delegations expressed the view that provisions should not be made for mandates which had not been approved. Several delegations proposed that consideration be given to having the proposed provision for special missions separate from part II of the budget outline.

12. Many delegations were of the view that the additional provision of $70 million for special missions that had no mandates at present was not in keeping with the provisions of General Assembly resolution 41/213 of 19 December 1986. They further stated that should the General Assembly or other organs of the United Nations mandate activities relating to maintenance of international peace and security subsequent to the adoption of the programme budget, there were established procedures and relevant provisions in the Financial Regulations and Rules to meet such expenditures.

13. While supporting the proposed inclusion of a contingency for special missions in the outline, many delegations expressed the view that budgetary provisions could only be made for approved mandates.

14. Some delegations were of the opinion that the proposal to include provision for possible mandates relating to special missions was not in keeping with the budgetary procedure established in resolution 41/213. Some delegations further stressed the need to review the budgetary process approved in that resolution, including the process of decision-making.

15. Some delegations stated that the Secretary-General should provide a clear picture which would facilitate the examination by Member States of the staff reduction. They requested that the Secretariat provide an organigram of each department, accompanied by definitions of the tasks entrusted to each individual unit forming each department, the nationality of the staff whose posts were under suppression and the impact on the principle of equitable geographical representation and quota.

16. Many delegations welcomed the proposal to resort to net budgeting in respect of jointly financed activities. Others advocated that that method also be applied to staff assessment.

17. Some delegations welcomed the proposed level of the contingency fund, while others expressed the view that it might not be adequate.

18. Many delegations expressed the view that the legislative body of the Organization on administrative and budgetary issues had to adopt a decision regarding the proposed savings in the budget for 1996-1997 and the eventual absorption of the new activities.

19. Some delegations underlined the role of the substantive bodies in the United Nations planification and budgetary process. They stressed that the outline had to be considered together with the outcome of the negotiations to be held at the fifty-first session on the level of savings proposed which led the Assembly to appropriate for the biennium $2,608,300,000 instead of $2,712,265,200, representing the expenditure estimates for the approved activities. The outline also had to be considered together with the decision to be adopted by the General Assembly on the possible absorption of additional activities in the programme budget for 1996-1997.

Conclusions and recommendations

20. The Committee examined the outline, using as a framework the four aspects listed in paragraph 1 of the report of the Secretary-General:

(a) The preliminary estimate of resources to accommodate the proposed programme of activities during the biennium;

(b) Priorities, reflecting trends of a broad sectoral nature;

(c) Real growth, positive or negative, compared with the previous budget;

(d) Size of the contingency fund expressed as a percentage of the overall level of resources.

[21. The Committee noted that, compared with the initial appropriations for the biennium 1996-1997, growth for the preliminary estimate was anticipated at minus 6.9 per cent.]

[22. The Committee took note of the priorities proposed by the Secretary-General.]

[23. The Committee took note of the preliminary estimate proposed by the Secretary-General in paragraph 2 of his report, the breakdown by parts of the budget and the proposed size of the contingency fund, and recommended that the General Assembly give further consideration to all the elements contained in the Secretary-General's proposed programme budget outline for 1998-1999, taking into account the views of Member States as reflected in the discussion part of this section.]